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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/896,061	06/29/2001	David J. Schmitz	11927/90	9465

7590 05/18/2007  
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Chicago, IL 60606

EXAMINER
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POINVIL, FRANTZY

ART UNIT	PAPER NUMBER
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3692

MAIL DATE	DELIVERY MODE
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05/18/2007

PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

## Office Action Summary

Application No.

09/896,061

Applicant(s)

SCHMITZ ET AL.

Examiner

Frantzy Poinvil

Art Unit

3692

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 28 February 2007.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-3 and 5-23 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-3 and 5-23 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- ☐ Notice of References Cited (PTO-892)
- ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- ☒ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date 3/7/2007.
- ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_.
- ☐ Notice of Informal Patent Application
- ☐ Other: \_\_\_\_\_.

## DETAILED ACTION

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 2/28/2007 has been entered.

### ***Claim Rejections - 35 USC § 103***

2. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-3 and 5-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Lupien et al (US Patent No. 5,101,353)..

As per claims 1, 5, 10, 11, 14-15, 17-18 and 21 Lupien et al disclose a system and method for performing on-line trading over an automated execution system. See the abstract. The method and system comprise: routing an electronic order for a product submitted by a participant into the automated execution system (column 12, lines 53-67) and automatically executing the electronic order against the participant. See column 12, line 53 to column 13, line 23. Lupien et al do not explicitly state automatically in order priority at least a portion of the electronic order against an order in an electronic book at a prevailing market price irrespective or

Art Unit: 3692

broker review and automatically executing a remaining portion of the electronic order against the participant at a predetermined participation percentage. Lupien et al also do not explicitly state assigning a first remaining portion of the electronic order to the participant or assigning a second remaining portion of the electronic order wherein the second remaining portion of the electronic order is executed against a market maker subsystem.

However, Lupien et al state that orders are placed in an electronic book (column 12, lines 23-67 and column 14, lines 8-10) and that orders may be prioritized based on price, size and time (column 11, lines 43-55) irrespective of broker review. Lupien et al also teach splitting an order. See column 14, lines 32-36. The function of executing in order priority at least a portion of the electronic order against an order in an electronic book and a remaining portion against the participant at a predetermined participation percentage is considered as an agreement left between a participant and a client or as an agreement within a trading firm or company.

As such, any agreement among these different entities would have been possible as long as all the involved entities agree to act on certain agreement, terms and conditions. The Examiner notes that the system of Lupien et al contains all the claimed structural elements to perform the claimed invention. The types of agreement in which to automatically execute an order is not a patentable distinction when viewing the system and method of Lupien et al because in the system and method of Lupien et al, trades are automatically executed and priority of an order submitted by a participant or user or client are taken into consideration. Thus, it would have been obvious to one of ordinary skill in the art at the time the invention was made to also include such an agreement as a function in the system of Lupien et al in order to allow a more versatile system being able to accommodate users or participants with diverse types of

investment agreement.

As per claim 2, Lupien et al disclose executing orders against at least one market maker.  
See column 13, lines 2-23.

As per claim 3, see figure 1 and column 6, lines 60-67.

As per claims 6-8, Lupien et al disclose the product comprise a security, derivative, or commodity having at least one seller order or one buy order or at least one unit of a security, derivative or commodity (column 6, lines 1-24 and column 7, line 47 to column 8, line 52, and column 8, lines 34-52.).

As per claims 9 and 16, Lupien et al disclose the participant submits the electronic order for a customer, and wherein the customer is assured to receive the National Best Bid or Offer for the electronic order..

As per claim 12, Lupien et al disclose routing an electronic order comprises entering the electronic order into a user device. See column 6, lines 1-67.

As per claim 13. Lupien et al disclose the step of receiving the electronic order over the computer network comprises receiving the electronic order at a trading facility. See figure 1 of Lupien et al.

As per claim 19, the Lupien et al not explicitly state the predetermined portion of the electronic order is in a range of 0 to 100% of the electronic order. As per this feature, the Examiner asserts that when splitting the order as noted above, the predetermined portion of the electronic order automatically ranges from 0 to 100% .

As per claim 20, Lupien et al disclose the market makers comprise market makers, specialists, and designated primary market makers (DPMs).

As per claim 22, Lupien et al disclose the order routing system creates a fill report when the electronic order is filled. See column 14, lines 30-35 and column 11, lines 38-67.

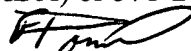
As per claim 23, Lupien et al disclose the product is at least one security, commodity or derivative. See column 8, lines 34 52.

### **Conclusion**

3. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Frantzy Poinvil whose telephone number is (571) 272-6797. The examiner can normally be reached on Monday-Thursday from 7:30AM to 5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Richard Chilcot can be reached on (571) 272-6777. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

  
**Frantzy Poinvil**  
**Primary Examiner**  
**Art Unit 3692**

FP  
May 9, 2007